

Israel: if in doubt, cut

■ Things to Watch Next Week

Attention next week will be on the rates decision in Poland and Russia along with the May inflation releases in Turkey and Russia. The NBP will likely keep rates steady as the economic slowdown is gathering momentum, while the CBR already signaled a pause in monetary policy in the last policy statement. In Turkey, a sharp fall in unprocessed food prices is likely to drag May CPI inflation sharply lower in annual terms. In Russia, we expect the May inflation to remain unchanged from last month, at 3.6% yoy. In Hungary, April IP and trade balance will likely underscore the weak growth momentum which was further exacerbated in April by seasonal factors and base effects. Fiscal performance should improve in May on new government measures. Finally, the April manufacturing production in S Africa is likely to post a modest rebound into positive territory supported by resilience in new orders.

■ Israel in Focus: Bol - if in doubt, cut

The escalation in the Greek turmoil and softening in global activity data led us to pencil in 50bp of Bol rate cuts this year to 2%, likely 25bp at the 25 June meeting to be followed by another 25bp in 3Q. The domestic economy has been resilient so far, but the external uncertainty raised significant concerns at the Bol at its 28 May rate-setting meeting. Meanwhile, the domestic inflationary pressures appear contained, allowing room for further monetary easing. Risks remain towards lower rates across the curve if global sentiment does not improve. The flip side of this argues for shekel weakness to continue. *(M. Doan; page 2)*

■ News and Views

The first estimate of Q1 GDP in **Poland** showed the economy grew by 0.8% qoq, 3.5% yoy, a touch below our forecast of 3.7% (E: 3.5%). The April trade deficit in **South Africa** widened to -R9.9bn in April from -R5.5bn in March, relative to expectations for a slight narrowing to -R5.0bn. *(page 5)*

■ Today's Market Movers

Focus today will be on May PMI in South Africa. We expect PMI to come in at 52.1 as increasing uncertainty around the Eurozone crisis is a headwind to sentiment in manufacturing even while Rand weakness is a positive.

Data releases, key events

NYT Country	Data/Event	For	BofAMLe	Cons.	Previous
5:00	South Africa PMI	May	52.1	52.1	53.7

Source: BofA Merrill Lynch Global Research, Bloomberg

Bank of America Merrill Lynch

David Hauner, CFA EEMEA FI Strategist, Economist MLI (UK)	+44 20 7996 1241
Turker Hamzaoglu Turkey, MENA Economist MLI (UK)	+44 20 7996 2417
Vladimir Osakovskiy Russia, CIS Economist Merrill Lynch (Russia)	+7 495 662 6168
Arko Sen EEMEA FI Strategist MLI (UK)	+44 20 7995 1576
Matthew Sharratt S. Africa, Nigeria Economist Merrill Lynch (South Africa)	+27 21 815 2625
Raffaella Tenconi Italy, CEE, Ukraine Economist MLI (UK)	+44 20 7995 9173
Cagatay Bircan EEMEA FI Strategist, Economist MLI (UK)	+44 20 7996 2517
Mai Doan CEE, Israel Economist MLI (UK)	+44 20 7995 9597
Jean-Michel Saliba MENA Economist MLI (UK)	+44 20 7995 8568
EEMEA FI Strategy & Economics MLI (UK)	

[See Team Page for Full List of Contributors](#)

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GEMs Monthly

[What to expect when you're expecting](#)

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In Focus

Mai Doan
+44 20 7995 9597

Bank of Israel: if in doubt, cut

- **Review:** Spotlight this week was on rates decision in Turkey, Hungary and Israel along with 1Q GDP readings in Poland and South Africa. All three central banks remained on hold
- **Hot topic:** The escalation in the Greek turmoil and softening in global activity data led us to pencil in 50bp of Bol rate cuts this year to 2%, likely 25bp at the 25 June meeting to be followed by another 25bp in 3Q.
- **Preview:** Attention next week will be on the rates decision in Poland and Russia along with the May inflation releases in Turkey and Russia.

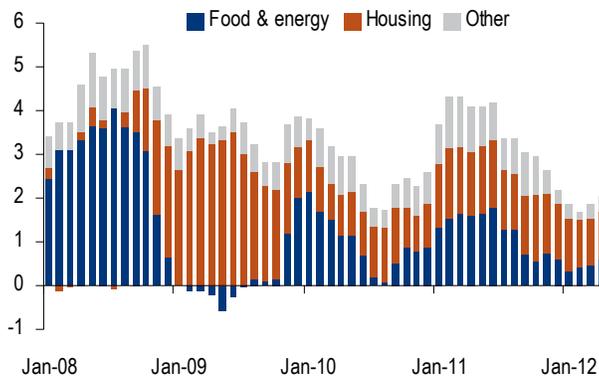
Review: CBT, NBH and Bol on hold

Spotlight this week was on rates decision in Turkey, Hungary and Israel along with 1Q GDP readings in Poland and South Africa. All three central banks remained on hold, as widely expected. The CBT kept its rate at 5.75% and increased the flexibility of keeping TRY reserves in FX. The NBH left the refinancing rate at 7.00%, highlighting caution due to upside risks to inflation from new taxes announced by the government. The Bol kept the policy rate steady at 2.50%, voicing concerns about the external developments. In Poland, 1Q GDP grew by 3.5% yoy in 1Q, while in S. Africa, it came in at 2.7% yoy.

Hot topic: Bank of Israel - if in doubt, cut

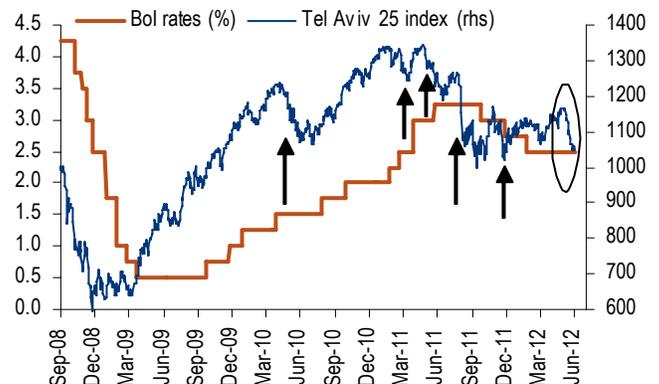
The escalation in the Greek turmoil and softening in global activity data led us to pencil in 50bp of Bol rate cuts this year to 2%, likely 25bp at the 25 June meeting to be followed by another 25bp in 3Q. The domestic economy has been resilient so far, but the external uncertainty raised significant concerns at the Bol at its 28 May rate-setting meeting. Meanwhile, the domestic inflationary pressures appear contained, allowing room for further monetary easing. We see downside risk to our rate forecasts, but do not expect rates to revert to the record-low level of 0.5% in even in the worst case scenario of a Greek exit from the Eurozone.

Chart 1: Domestic inflation pressures appear contained



Source: Haver, BofA Merrill Lynch Global Research

Chart 2: Bol cautious in times of market stress



Source: Bloomberg, BofA Merrill Lynch Global Research

In times of uncertainty, better be safe than sorry

We now expect the Bol to cut the policy rate by 50bp this year to 2%, in view of the escalation in the Greek turmoil and softening in global activity data. A 25bp cut at the June 25 meeting seems likely, to be followed by another 25bp in 3Q, in our view. Rates have rallied strongly on growth concerns already. After the sharp drop in 5y IRS we chose to close our position at target given the extent/speed of the move. Risks remain towards lower rates across the curve if global sentiment does not improve. The flip side of this argues for shekel weakness to continue as Israel's small open economy with a now small current account balance will respond to a global slowdown.

The domestic economy has been resilient so far, but the external uncertainty raised significant concerns at the Bol at its 28 May rate-setting meeting (see here). Meanwhile, the domestic inflationary pressures appear contained, allowing room for further monetary easing. Inflation ex housing, food and energy contributed only 0.4ppt to the headline rate in April (Chart 1). Inflation expectations are comfortably within the 1-3% target range: 12-month inflation breakeven has eased to 2.3% in May from 2.5%, while forecasters downgraded their 12-month CPI projection to 2.3% from 2.6%. CPI will likely accelerate towards the 3% upper bound of the target by year-end from 2.1% in April, but we note that this is driven primarily by base effects and commodities. The labour market has been resilient, but real wage growth averaging around 1% yoy in Dec-Feb, coupled with a flat trend in unit labour cost growth, does not pose any major inflationary pressures in the medium term, in our view.

Early easing signals from the capital markets

Since the global crisis started, the Bol has appeared to be quite cautious about sentiment in the global markets, and the consequences for the domestic capital markets. This probably reflects concerns about the spillover effects on financing, confidence and the wealth of the domestic private sector. We note that in all of the five occasions of sharp declines in the Tel Aviv stock market index since the Lehman freefall, the Bol has either paused in the middle of the hiking cycle or cut rates shortly afterwards (Chart 2). In this instance, the Tel Aviv 25 index has fallen back nearly 10% since early May, while the global outlook looks unlikely to improve any time soon, in our view. The Tel-Bond yield gap vs government bonds also widened last month, tentatively pointing to more difficult financing for local corporates in the capital market.

Is 0.5% the limit? Maybe not that far

We see downside risk to our rate forecasts, but do not expect rates to be revert to the record-low 0.5% in even in the worst case scenario of a Greek exit from the Eurozone. The degree of GDP slowdown will likely be cushioned by the fact that the output gap is currently close to zero vs around 2% in 2008. Inventory drawdowns will also likely be less aggressive, as firms have been cutting back on stocks since 2009 (c.4% of 2008 GDP). In addition, global liquidity problems will be less acute than in 2008-09 given the massive liquidity injection from central banks around the world during the past four years. We also believe that a real policy rate of around -1% to -1.5% would be a reasonable balance between providing enough stimulus to the economy while not risking another surge in house prices as in 2008-09 (Chart 3). We currently see GDP growth at 3% in 2012 and 3.5% in 2013, well below rates close to 5% recorded in the previous two years as well as before the global crisis.

Growth has been resilient but outlook remains fragile

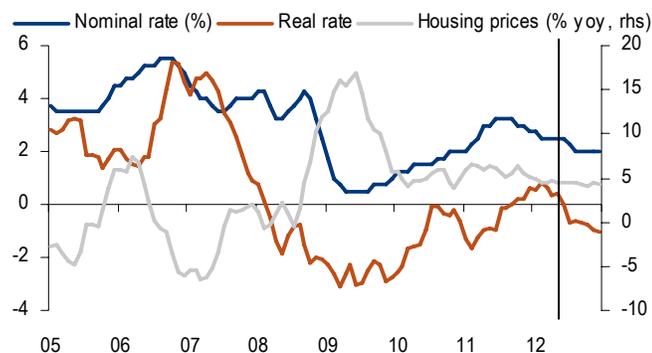
The latest data suggest that the pace of economic slowdown has eased, but the outlook remains fragile. 1Q GDP surprised on the upside in the first release, rising 3.0% saar after 3.2% in 4Q11. The main driver was private consumption and stock building, adding 2.3ppt and 3.3ppt to the headline, respectively. Meanwhile, net exports subtracted 4.5ppt. The S-index has been posting steady gains, up 0.16% mom in April. The manufacturing PMI also rose, to 53.2 – the highest reading in 11 months, with broad-based improvements, although the new order component remained in contraction zone.

However, we caution that the national account data can be revised significantly in the final readings. The 1Q private consumption outcome looks stronger than implied by chain-store sales data and consumer confidence. The trade and imports components of the S-index, which serve as a reflection of domestic demand, have been on a flat trend since the beginning of the year. Meanwhile, the external environment implies a difficult year ahead, particularly with 28% of exports to the EZ, where the sovereign debt crisis is escalating, and 25% of exports to the US, where our economist expects growth to disappoint in 2H on concerns about an upcoming [fiscal cliff in 2013](#). The export of goods component of the S-index continues to point south. The latest turnaround in the OECD leading indicator, which tends to lead domestic activity, tentatively suggests stabilisation at best in the period ahead (Chart 4).

Preview: All eyes on NBP and CBR

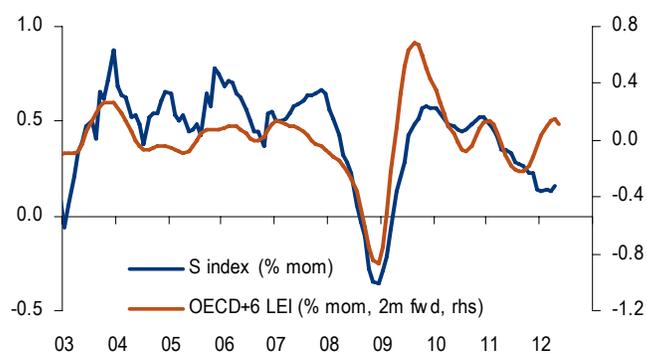
Attention next week will be on the rates decision in Poland and Russia along with the May inflation releases in Turkey and Russia. The NBP will likely keep rates steady as the economic slowdown is gathering momentum, while the CBR already signaled a pause in monetary policy in the last policy statement. In Turkey, a sharp fall in unprocessed food prices is likely to drag May CPI inflation sharply lower in annual terms. In Russia, we expect the May inflation to remain unchanged from last month, at 3.6% yoy. In Hungary, April IP and trade balance will likely underscore the weak growth momentum which was further exacerbated in April by seasonal factors and base effects. Fiscal performance should improve in May on new government measures. Finally, the April manufacturing production in S Africa is likely to post a modest rebound into positive territory supported by resilience in new orders.

Chart 3: Bol to balance stimulus against risks of higher housing price



Source: Haver, BofA Merrill Lynch Global Research

Chart 4: Stabilisation in domestic activity at best in the period ahead



Source: Haver, BofA Merrill Lynch Global Research

News and Views

Mai Doan
+44 20 7995 9597

Poland: GDP growth slowed to 3.5% in 1Q

The first estimate of Q1 GDP showed the economy grew by 0.8% qoq, 3.5% yoy, a touch below our forecast of 3.7% and what the NBP was expecting and down from 4.3% in 4Q11. The main surprise came from export growth, slowing to 1.6% yoy in Q1, down from 8.2% yoy the previous quarter. Meanwhile, import growth eased only to 4.1%yoy, from 5.1% yoy in Q4. Household spending grew by 1.8% yoy from 2.4% yoy. Investment rose by 5.4% yoy, modestly down from 5.8% yoy, supported by inventories build up. Separately, inflation expectations came in at 4.3% in May, unchanged from April. The share of respondents expecting higher inflation rose to 28.6% from 26.2%, the second consecutive increase. At the same time, those expecting lower inflation rose from 12.3% to 16%, the highest since Nov'11.

- **Steady rate:** Overall, we think these release favour keeping rates on hold, though we do not think the Council will rule out hikes already at its Jun 5-6 MPC meeting. The activity slowdown is gather momentum. Inflation expectations are sticky, but the higher share of respondents expecting lower inflation strengthens the MPC doves' arguments against hikes.

S Africa: Trade deficit widens as exports slump

The trade deficit widened to –R9.9bn in April from –R5.5bn in March relative to expectations for a slight narrowing to –R5.0bn.

- **Negative:** The widening in the trade deficit was driven by weaker exports which fell 14.9% mom led by a 23% mom slump in exports of precious metals. Exports of precious metals continue to suffer after strike related stoppages and weakening global demand cut mining output by 16.8% yoy in Q1. Imports slipped 7.2% mom driven by lower mineral imports which were down 25% mom. Softening global demand is likely to weigh on the trade balance and Rand in coming months, in our view. In turn, we look for the CAD to widen to -4.6% of GDP this year after -3.3% last year.

Matthew Sharratt
+27 21 815 2625

Data Preview

01-15 June

NYT	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
***	- Russia	CBR rates decision	-	8.00%	8.00%	8.00%	CBR signaled a pause in monetary policy in the last policy statement, on the remaining inflationary risks of planned tariff indexations and potentially weaker harvest this year. We expect renewed monetary easing in the end of 2012 when inflationary impact of tariff indexations and 2012 harvest will be fully priced in and inflation will likely remain within the 6% target.

Monday, 04 June

NYT	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
***	3:00 Turkey	CPI (yoy)	May	8.5%	n.a.	11.1%	As signaled strongly by the CBT, a sharp fall in unprocessed food prices is likely to drag annual CPI inflation sharply lower. We marked down our forecast to 0%mom accordingly and together with the strong base year effects, that would bring the annual CPI inflation down to 8.5%. Annual CPI inflation is likely to bounce back above 9% in June and remain high until 4Q12.

04-05 June

***	- Russia	CPI (yoy)	May	3.6%	n.a.	3.6%	Weekly data point to a modest 0.5% mom despite notable spike in the end of the month. This should keep inflation stable in yoy terms.
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Tuesday, 05 June

NYT	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
<i>No major data releases</i>							

Wednesday, 06 June

NYT	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
***	- Poland	NBP rates decision	-	4.75%	n.a.	4.75%	The NBP will likely keep rates steady as economic slowdown gathers momentum, with likely some toning down of previous hawkish rhetoric.

Thursday, 07 June

NYT	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
**	- South Africa	Manufacturing production (yoy)	Apr	1.90%	n.a.	-2.7%	We look for a modest rebound into positive territory supported by resilience in new orders.
**	3:00 Hungary	Industrial production (yoy, P)	Apr	0.50%	n.a.	0.6%	IP growth likely slowed last month on base effects and slowing external demand. A rebound is likely in May on more favorable base effects, but the trend has clearly weakened.
**	0:00 Hungary	Budget balance (ytd)	May	n.a.	n.a.	-228.2bn	Budget performance has improved; we expect whole year general government deficit to be in line with the 3% of GDP target.

Friday, 08 June

NYT	Country	Data/Event	For	BofAMLe	Cons.†	Previous	Comments
***	3:00 Hungary	GDP (yoy, F)	1Q	-0.7%	n.a.	-0.7%	The GDP breakdown will likely show positive contribution from net exports, while consumption remained a drag on growth.
**	3:00 Hungary	Trade balance (€, P)	Apr	300mn	n.a.	608mn	The trade surplus likely narrowed in April on seasonal factors.
**	3:00 Turkey	Industrial production (yoy)	Apr	1.2%	n.a.	2.4%	Industrial production is likely to have bottomed in Jan-Feb'12 but the recovery from March onwards faces some headwinds.

Notes: †Bloomberg consensus; * = level of importance; A = advanced; F = final; P = preliminary; sa = seasonally adjusted; saar = seasonally adjusted annualized rate; nsa = not seasonally adjusted; wda = working-day adjusted; n.a. = not available; mom = month-on-month; qoq = quarter-on-quarter; yoy = year-on-year.

Source: BofA Merrill Lynch Global Research, Bloomberg, Central banks * denotes previous month

Data Review

Monday, 28 May

NYT	Country	Data/Event	For	Actual	BofAMLe	Cons.†	Previous	Comments	
***	0:30	Israel	Bol rates decision	-	2.50%	2.50%	2.50%	2.50%	The Bol kept the policy rate steady at 2.50%, as expected. The central bank noted stabilisation in economic activity, as 1Q GDP grew by 3% saar vs 3.2% in 4Q'11. Meanwhile, inflation and inflation expectations are comfortably within the target range. In addition, the Bol voiced concerns about the external situation, particularly the intensification in the EZ debt crisis and the softening in global macro data, including from large emerging markets.

Tuesday, 29 May

NYT	Country	Data/Event	For	Actual	BofAMLe	Cons.†	Previous	Comments	
***	5:30	South Africa	GDP (qoq, annualized)	1Q	2.7%	2.2%	2.4%	3.2%	Despite holding up better than expected, economic momentum slowed into early 2012 after a relatively nice rebound in H2 2011. Risks to growth remain to the downside given the global outlook.
***	7:00	Turkey	CBT rates decision	-	5.75%	5.75%	5.75%	5.75%	In another expected move, the bank increased the flexibility of keeping TRY reserves in FX. While the bank's macro outlook was little changed, the main tweak came from the bank's statement that MPC may resort to additional monetary tightening (i.e., exceptional days) in shorter durations if need be. We read this change as more discretion for CBT in managing the effective rates to manage float TRY.
***	8:00	Hungary	NBH rates decision	-	7.00%	7.00%	7.00%	7.00%	The NBH statement is similar to the previous month, highlighting caution due to upside risks to inflation from new taxes announced by the government, while the risk perception has been volatile

Wednesday, 30 May

NYT	Country	Data/Event	For	Actual	BofAMLe	Cons.†	Previous	Comments	
**	2:00	South Africa	Private sector credit (yoy)	Apr	7.3%	9.6%	9.0%	9.2%	Despite the pullback in private sector credit growth from 9.2% to 7.3%, the key takeaway is that household unsecured credit growth remains dynamic, expanding 22.0% yoy in April from 21.3%.
**	2:00	South Africa	M3 money supply (yoy)	Apr	6.2%	7.1%	7.4%	6.7%	

Thursday, 31 May

NYT	Country	Data/Event	For	Actual	BofAMLe	Cons.†	Previous	Comments	
**	3:00	Turkey	Trade balance (US\$)	Apr	-6.6bn	-7.0bn	-7.0bn	-7.3bn	
***	4:00	Poland	GDP (yoy)	1Q	3.5%	3.7%	3.5%	4.3%	The main surprise came from export growth, slowing to 1.6%yoy in Q1, down from 8.2%yoy the previous quarter; while import growth eased only to 4.1%yoy, from 5.1%yoy in Q4.
**	5:30	South Africa	PPI (yoy)	Apr	6.6%	6.8%	6.9%	7.2%	Details showed that the yoy easing in producer prices was driven by lower but still elevated electricity prices (21.3% yoy from 27.6% previously), products of petroleum and coal (12.9% yoy from 19.1%) and base metals (-4.3%yoy)
**	8:00	South Africa	Trade balance (ZAR)	Apr	-9.9bn	-5.0bn	n.a.	-5.5bn	The widening in the trade deficit was driven by weaker exports which fell 14.9% mom led by a 23% mom slump in exports of precious metals.

Notes: †Bloomberg consensus; * = level of importance; A = advanced; F = final; P = preliminary; sa = seasonally adjusted; saar = seasonally adjusted annualized rate; nsa = not seasonally adjusted; wda = working-day adjusted; n.a. = not available; mom = month-on-month; qoq = quarter-on-quarter; yoy = year-on-year.

Source: BofA Merrill Lynch Global Research, Bloomberg, Central banks * denotes previous month

Central Bank Monitor

	Current policy stance		Next move		Watch for	
	Current rate (%)	Stance	Rate forecast (%)	Date	YE2012 forecast (%)	Inflation target
Czech Republic	0.75	Pause	0.75	28 Jun	0.50	2% ± 1%
	The MPC kept rates unchanged at 0.75% on 3 May as expected but the voting details reveal a more dovish bias: 4 members voted for unchanged rates, 2 (new votes) for 25bp rate hike and 1 for 25bp cut. The alternative forecasts, in case of a follow-through of planned fiscal cuts, see GDP growth 0.8ppt lower in 2013 and rates about 25bp below the base line.		We believe the central bank consensus will not be ready to back a rate cut in June already, but acknowledge that the voting outcome will likely be tight.		The weak 1Q GDP data and deteriorating external outlook led us to pencil in a 25bp rate cut in August, coincident with the 3Q Inflation Report.	
Hungary	7.00	Pause	7.00	26 Jun	6.50	3%
	The NBH kept the policy rate on hold at 7.00% on 29 May as expected. The statement is similar to the previous month, highlighting caution due to upside risks to inflation from new taxes announced by the government, while the risk perception has been volatile.		We expect steady rates until at least talks with the international lenders are at an advanced stage.		The MPC making suggests a more dovish stance, we see 50bp likely in 4Q this year and another 50bp by 1Q'13.	
Israel	2.50	Easing	2.25	25 Jun	2.00	1% - 3%
	The Bol kept the policy rate unchanged at 2.50% on 28 May, in line with expectations. However, the central bank appears more dovish as it voiced significant concerns about the external developments.		We expect the Bol to cut the policy rate by 25bp at the June meeting, notwithstanding a better than expected 1Q GDP data and higher inflation outlook. The central bank will likely be more concerned about the downside risks to growth from the Greek turmoil, while activity data in Asia and US are also softening.		We expect rate to go down to 2% by year end, noting downside risks if the Eurozone debt crisis worsens significantly.	
Poland	4.75	Tightening	4.75	6 Jun	5.00	2.5% ± 1%
	The MPC surprised the market by raising the policy rate by 25bp to 4.75% on 9 May. The move came a month earlier than we had expected, but confirmed our overall assessment: the Council sees continuing brisk growth, while inflation persistently deviates from the 2.5% target.		The comments from the Governor and the tone of the press statement made it clear that another hike is possible, potentially as soon as June. However, the Council is not in a rush to raise rates again and instead will gather evidence to assess whether additional measures will be needed, in our view.		We maintain our call for a final 25bp rate increase in Q3, though whether a final hike will materialize will strongly depend on further evidence that a smooth recovery in Germany is taking place.	
Russia	8.00	Pause	8.00	1-15 Jun	7.50	5%-6%
	Robust expansion of domestic demand eases need for a monetary support, as inflationary impact from planned indexation of regulated tariffs and potentially weaker harvest remains uncertain.		CBR signaled a pause in monetary policy in the last policy statement, on the remaining inflationary risks of planned tariff indexations and potentially weaker harvest this year.		We expect renewed monetary easing in the end of 2012 when inflationary impact of tariff indexations and 2012 harvest will be fully priced in and inflation will likely remain within the 6% target.	
South Africa	5.50	Pause	5.50	19 Jul	5.50	3% - 6%
	Acknowledging the deepening Eurozone peripheral debt crisis, the SARB emphasized downside risks to GDP growth and also lowered its inflation outlook.		We expect the MPC to leave rates on hold at 5.50% in coming months as global dynamics dominate domestic fundamentals.		Relative to our call that the SARB may increase the repo rate from November on improving domestic fundamentals, the re-emergence of the Euro crisis implies a risk that the SARB could instead delay such a move into 2013. We now look for a first hike in May next year.	
Turkey	5.75	Tightening	5.75	21 Jun	5.75	5% end-2012
	CBT left the policy rate unchanged at 5.75% in its May meeting. There is little change in the CBT's macro outlook. While maintaining the tight monetary stance, the bank signals that it may announce additional monetary tightening with shorter durations, if need be.		We expect the CBT to keep a tight grip on TRY liquidity to keep TRY effective rates high in the short-term, while keeping policy rate unchanged at 5.75%.		CBT's tendency is to run the monetary policy with a focus on TRY exchange rate given the high level of inflation. Now that the bank may introduce additional monetary tightening with a shorter duration, CBT's policy has now even shorter-term horizon.	

Source: BofA Merrill Lynch Global Research.

Global FX Forecasts

	Spot	2Q 2012		3Q 2012		4Q 2012		1Q 2013	
		F'cst	Fwd	F'cst	Fwd	F'cst	Fwd	F'cst	Fwd
Asia									
USD/CNY	6.37	6.34	6.35	6.30	6.38	6.25	6.40	6.20	6.41
USD/HKD	7.77	7.77	7.76	7.78	7.76	7.80	7.76	7.82	7.76
USD/IDR	9,426	9,400	9,875	9,700	10,128	9,400	10,284	9,200	10,442
USD/INR	56.44	56.50	56.73	57.00	57.75	53.00	58.55	51.00	59.24
USD/KRW	1,181	1,190	1,186	1,150	1,192	1,100	1,195	1,080	1,198
USD/MYR	3.19	3.15	3.19	3.08	3.20	3.05	3.21	2.98	3.22
USD/PHP	43.68	43.20	43.84	43.00	44.02	42.00	44.18	41.00	44.33
USD/SGD	1.29	1.28	1.29	1.25	1.29	1.22	1.29	1.21	1.29
USD/THB	31.89	31.80	31.90	31.00	32.04	30.00	32.18	29.80	32.33
USD/TWD	29.84	29.50	29.73	29.00	29.63	28.50	29.54	28.00	29.48
EEMEA									
EUR/CZK	25.76	25.50	25.75	25.00	25.76	25.00	25.78	25.00	25.79
EUR/HUF	304	310	303	300	307	300	310	300	313
EUR/PLN	4.42	4.35	4.41	4.20	4.46	4.15	4.50	4.15	4.55
EUR/RON	4.48	4.45	4.49	4.40	4.54	4.35	4.58	4.35	4.62
USD/AED	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67	3.67
USD/NGN	160	160	162	160	167	158	172	158	177
USD/EGP	6.04	6.07	6.22	6.09	6.70	6.11	7.16	6.11	7.39
USD/ILS	3.90	3.80	3.89	3.65	3.90	3.65	3.90	3.65	3.91
USD/KWD	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28	0.28
USD/KZT	148	148	148	148	149	148	150	148	150
USD/QAR	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.64	3.65
USD/RUB	33.52	31.50	32.99	30.00	33.52	30.00	34.10	30.00	34.56
USD/SAR	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
USD/TRY	1.87	1.85	1.87	1.70	1.91	1.70	1.94	1.70	1.98
USD/UAH	8.08	8.00	8.14	8.00	8.55	8.00	9.04	8.00	9.42
USD/ZAR	8.58	8.30	8.54	7.50	8.65	7.60	8.75	7.60	8.86
LatAm									
USD/ARS	4.47	4.50	4.72	4.75	5.24	5.00	5.53	5.30	5.79
USD/BRL	2.03	2.05	2.02	2.03	2.05	2.00	2.08	1.98	2.10
USD/CLP	521	510	521	515	526	520	530	525	534
USD/COP	1,834	1,820	1,835	1,810	1,853	1,800	1,870	1,800	1,886
USD/MXN	14.30	13.80	14.12	13.65	14.23	13.50	14.33	13.37	14.44
USD/PEN	2.71	2.69	2.71	2.69	2.72	2.69	2.73	2.69	2.74
USD/UYU	20.65	18.60	21.03	18.80	21.40	18.90	21.77	19.00	22.16
USD/VEF	4.30	4.30	4.29	4.30	4.29	4.30	4.29	7.50	4.29
G10									
EUR/USD	1.24	1.30	1.24	1.30	1.24	1.33	1.24	1.34	1.25
USD/JPY	78.5	85.00	78.96	82.00	78.87	82.00	78.72	83.00	78.54
EUR/JPY	97	110.50	97.97	106.60	97.96	109.06	97.96	111.22	97.93
USD/CAD	1.03	1.01	1.03	1.04	1.03	1.03	1.03	1.02	1.03
AUD/USD	0.97	0.98	0.97	0.98	0.96	0.98	0.96	0.98	0.95
NZD/USD	0.75	0.78	0.75	0.78	0.75	0.78	0.75	0.79	0.74
EUR/GBP	0.80	0.78	0.80	0.80	0.80	0.83	0.80	0.85	0.80
GBP/USD	1.54	1.67	1.55	1.63	1.55	1.60	1.55	1.58	1.55
EUR/CHF	1.20	1.20	1.20	1.20	1.20	1.22	1.20	1.24	1.20
USD/CHF	0.97	0.92	0.97	0.92	0.97	0.92	0.96	0.93	0.96
EUR/SEK	8.99	8.80	8.99	8.70	9.02	8.60	9.06	8.60	9.10
USD/SEK	7.26	6.77	7.24	6.69	7.27	6.47	7.28	6.42	7.29
EUR/NOK	7.54	7.65	7.54	7.60	7.57	7.55	7.61	7.50	7.65
USD/NOK	6.09	5.88	6.08	5.85	6.10	5.68	6.11	5.60	6.13

Source: BofA Merrill Lynch Global Research, Bloomberg

01 June 2012

Global Rates Forecasts

		Spot	2Q 2012	3Q 2012	4Q 2012	1Q 2013
Asia						
China	1y dep	3.50	3.50	3.50	3.50	3.50
	2y	2.51	3.60	3.80	3.90	3.90
	10y	2.94	4.10	4.20	4.20	4.20
India	Repo	8.00	8.00	7.75	7.00	7.00
	2y	8.04	7.50	7.00	7.00	7.00
	10y	8.50	8.20	7.80	7.80	7.80
Indonesia	Policy	5.75	5.75	5.75	5.75	5.75
	2y	5.19	5.30	5.50	5.50	5.50
	10y	6.51	7.70	7.80	7.85	7.85
Korea	Policy	3.25	3.25	3.00	2.75	2.75
	2y	3.25	3.50	3.25	3.25	3.25
	10y	3.39	3.80	3.80	3.80	3.80
Malaysia	Policy	3.00	3.00	3.00	3.00	3.00
	2y	3.02	2.80	2.70	2.70	2.70
	10y	3.52	3.70	3.70	3.70	3.70
Singapore	Policy	-	-	-	-	-
	2y	0.54	0.24	0.24	0.24	0.24
	10y	1.87	2.00	2.00	2.00	2.00
Thailand	Policy	3.00	3.00	3.00	3.00	3.00
	2y	2.82	2.80	2.80	2.80	2.80
	10y	3.47	3.10	3.30	3.40	3.40
EEMEA						
Czech R.	Policy	0.75	0.75	0.50	0.50	0.50
	2y	1.21	1.44	1.39	1.34	1.34
	10y	1.74	2.34	2.19	2.24	2.24
Hungary	Policy	7.00	7.00	7.00	6.50	6.00
	2y	7.34	7.25	7.10	6.35	6.45
	10y	7.17	7.30	7.15	6.40	6.65
Israel	Policy	2.50	2.25	2.00	2.00	2.00
	2y	2.33	2.75	2.70	2.70	2.70
	10y	4.12	4.55	4.50	4.50	4.60
Poland	Policy	4.75	4.75	5.00	5.00	5.00
	2y	4.89	4.95	5.05	4.95	4.90
	10y	4.83	5.00	5.15	5.07	5.10
Russia	Policy	8.00	8.00	8.00	7.50	7.00
	2y	7.85	6.85	6.80	6.80	6.80
	10y	8.32	7.65	7.55	7.50	7.55
South Africa	Policy	5.50	5.50	5.50	5.50	5.50
	2y	5.62	5.90	5.90	6.30	6.80
	10y	7.54	7.65	7.60	7.70	7.80
Turkey	Policy	5.75	5.75	5.75	5.75	5.75
	2y	7.93	7.50	7.25	7.25	7.00
	10y	6.87	6.95	6.89	7.04	7.10
LatAm						
Brazil	Policy	8.50	8.50	7.75	7.75	7.75
	1y	7.87	8.50	8.60	8.75	9.00
	5y	9.64	10.00	10.10	10.25	10.50
Mexico	Policy	4.50	4.50	4.50	4.50	4.50
	2y	4.85	4.75	5.00	5.00	5.00
	10y	6.48	6.50	6.60	6.75	6.75
Chile	Policy	5.00	5.00	5.00	4.50	4.50
	2y	4.59	4.50	4.50	4.75	5.00
	10y	5.22	5.25	5.25	5.25	5.25
Colombia	Policy	5.25	5.25	5.25	5.25	5.25
	2y	5.22	5.25	5.25	5.50	5.50
	10y	6.05	6.15	6.25	6.50	6.50
G10						
US	Policy	0.25	0.25	0.25	0.30	0.25
	2y	0.26	0.25	0.25	0.30	-
	10y	1.57	2.10	1.85	2.30	-
Eurozone	Policy	1.00	1.00	1.00	1.00	1.00
	2y	0.01	0.00	0.05	0.15	0.25
	10y	1.22	1.60	1.75	1.95	2.20

Source: Bloomberg, BofA Merrill Lynch Global Research

GEM TradeBook

Trade	Trade dates	Prices	Target/Stop	Notional*	Rationale	Risks
EMFX						
Buy 3m USD/COP digital put (strike 1780)	(O): 25-May-12 (E): 30-Aug-12	(O): 35.00 (C): 27.22	- -	1.00	We expect inflows of foreign capital in short and medium term while monetary authority is unwilling to intervene aggressively.	External negative shock to risk appetite or to oil prices, causing the COP to weaken.
Long 6m MXN/CLP NDF	(O): 25-May-12 (E): 30-Nov-12	(O): 36.46 (C): 37.02	(T): 40 (S): 35	20.00	MXN most undervalued LatAm FX and CLP most exposed to global risks.	Deterioration of global backdrop and, in particular, US growth prospects.
Buy 6m CAD/MXN binary (strike 12.80)	(O): 25-May-12 (E): 30-Nov-12	(O): 19.3% (C): 14.5%	- -	3.30	MXN most undervalued in LatAm and most exposed to US.	In a sharp risk-off scenario, G10 FX would be more resilient than EMFX.
Buy 6m USD/BRL double-no-touch (barriers 1.84/2.20)	(O): 2-May-12 (E): 31-Oct-12	(O): 28.500 (C): 29.393	- -	1.00	Change in foreign exchange intervention policy; both the Finance Ministry and the CB seek a weaker BRL.	Rapid appreciation toward 1.84 - 1.85, or if the implied volatilities rise significantly.
Short 1m USD/CNY NDF	(O): 27-Apr-12 (E): 31-May-12	(O): 6.305 (C): 6.350	(T): 6.27 (S): 6.34	50.00	Take advantage of wider fixing between 1m NDF and spot on the back of bottoming yoy China GDP.	Further weakening in China or hawkish statements out of the US.
Short 2m USD/EGP NDF	(O): 23-Apr-12 (E): 23-Jun-12	(O): 6.250 (C): 6.188	(T): 6.07 (S): 6.34	10.00	Increased Saudi support and high likelihood of stability in the run up to presidential elections.	Pickup in political instability, a withdrawal of Saudi support, or quick drop in Fx reserves.
Long 3m SGD/IDR NDF	(O): 21-Mar-12 (E): 21-Jun-12	(O): 7278 (C): 7421	(T): 7580 (S): 7168	20.00	Upside US economic surprises and momentum as SGD positive. Our economists' show Singapore is sensitive to US growth, while Indonesia much less.	Q2 relapse in US economic growth and Bank Indonesia committing itself to defending the USD/IDR 9,200 level.
Buy 3m USD/TRY call spread (strikes 1.90/2.00)	(O): 1-Mar-12 (E): 1-Jun-12	(O): 0.45% (C): 0.01%	- -	10.00	The strong focus on growth rather than inflation and high current account deficit increases vulnerability of TRY. Call spreads have best value to hedge FX risk.	Main risks are the stabilization in global economy and change in focus of central bank towards inflation.
Buy 3m worst of USD put	(O): 29-Feb-12	(O): 0.44%	-	10.00	QE driven portfolio inflows and diminishing power of Japanese export makes EM Asia FX attractive	Main risk is rise in global risk aversion and portfolio outflows from EM.
KRW/MYR/PHP call (25-delta OTM)	(E): 29-May-12	(C): 0.00%	-	-	-	-
Buy 3m USD call, ILS put spread (strikes 3.9/4.1)	(O): 24-Feb-12 (E): 24-May-12	(O): 0.57% (C): 0.00%	- -	10.00	Escalating tensions over Iran cause greater geo-political noise.	Main risk is lowering tensions with Iran.
Buy 6m USD/PLN put spread (strikes 2.75/2.95)	(O): 16-Dec-11 (E): 16-Jun-12	(O): 0.34% (C): 0.00%	- -	10.00	NT risk aversion will drive PLN higher vs USD. However, only tactical position so we express through options.	Current respite from Euro-zone gives way to renewed crisis on sovereign funding concerns.
LDM						
China: Pay 2y3y forward depo swap	(O): 3-May-12 -	(O): 89 (C): n/a	(T): 30 (S): 120	39.6	PBoC will likely cut RRR while depo swap rate currently prices too many cuts and should drive convergence.	PBoC fails to cut the RRR to ease liquidity constraints.
Malaysia: Pay 5y IRS	(O): 25-May-12 -	(O): 3.26% (C): 3.25%	(T): 3.50% (S): 3.13%	31.96	Market is pricing 1 full cut over the next 12m but the economy is on track for 4% growth raising the hurdle for rate cuts.	A move to dovish stance such that market prices more than 1 cut.
Mexico: pay 2s5s10s fly	(O): 22-May-12 -	(O): -30.0 (C): -29.0	(T): -10 (S): -45	26 x -22.6 x 6.7	The 2y5y slope at 60bp was flatter on 3 episodes and the 5y10y at 95bp is close to 118bp historic high.	If the 2y5 flattens and/or 5y10y steepens further, which could materialize if the 5y rallies more than the 2y and 10y.
Asia: Receive 5y Thai IRS, Pay 5y Malaysia IRS	(O): 16-May-12 -	(O): 11.0 (C): -3.0	(T): -15 (S): 23	44 x 44	Spread of 11bp is high compared to historic -4bp. Expectation of BOT hike and hedging are causing underperformance of Thai rates.	Significant improvement in risk sentiment causing market to reprice more BOT hikes.
Singapore: receive 10y, pay 50% US 10y	(O): 11-May-12 -	(O): 0.0 (C): -5.4	(T): 20.00 (S): -12.00	24.6 x 12.3	The 10y spread between Sing rates and US remains close to par, but in our view it should be lower due to MAS's policy and currency.	If the long end of Sing rates sell-off, due to hedging related to corporate issuance.
Korea: sell 1y1y vs buy 2y1y payer swaptions	(O): 20-Apr-12 -	(O): 10.25 (C): 9.27	- -	10.00	Weaker US macro data and Euro concerns favor receiving rates, but KRW rates to fall slowly.	If 1y1y bounces a lot more than 2y1y. Keep in mind that the 2y1y vs 1y1y spread is narrow.
Chile: 2s5s steepener	(O): 5-Mar-12 -	(O): 25.0 (C): 33.0	(T): 70.0 (S): 9.0	106 x 46	CB's aggressive rate policy makes it attractive hedge to global decline. Returns are asymmetric with low volatility.	Main risks are rise in inflation and thus central bank policy rate increases. Persistent increase in oil prices might induce these.
S.Africa: 2s5s steepener	(O): 24-Feb-12 -	(O): 90.0 (C): 101.0	(T): 125 (S): 70	23.7 x 10.0	Oil price spike poses inflation risks. Neutral SARB and positive carry make steepeners attractive.	Main risks are lowering Iran tensions, decline in oil prices and hawkish SARB.
EXD						
Short Venezuela 28s	(O): 14-May-12 -	(O): 77.40 (C): 75.20	(T): 65 (S): 87	10.00	Venezuela is high beta and dependent on oil exports. Polls indicate that the chance of transitioning to market friendly regime went down.	Strong rally in Venezuela if: there is a global rally, an oil rally, or if the prospects of a market friendly regime goes up.
Buy Brazil '41s vs Sell Brazil '21s	(O): 20-Mar-12 -	(O): 151 (C): 152	(T): 121 (S): 171	10 x 21.6	After technical moves the curves in LatAm look very steep. In Brazil, the 21s rallied excessively, and in our view should underperform the longer bonds.	Surprise issuance in the long end.
Buy S.Africa '24s vs Sell '41s	(O): 20-Mar-12 -	(O): 77 (C): 71	(T): 102 (S): 57	18.2 x 10	Given recent moves the curve in S Africa looks relatively flat. It is only 4bp steeper than it was 6 months ago.	Surprise issuance of the intermediates.

Notes: For guidelines see [GEMs TradeBook, 16 Dec 2011](#). Trade Dates: O=Open, E=Expiry; Prices: O=Open, AO=Adjusted, C=Current; Target/Stop: T=Target, S=Stop. *US\$m. Source: BofA Merrill Lynch Global Research, Bloomberg

EXD Views

Country	Views	Index weight	Dur. (yrs)	Yield (%)	Comments
Asia					
Indonesia	OW	7.1	7.5	4.16	We are overweight Indonesia on the back of spread widening to the Philippines following large issuance. Indonesia surprised markets with a new USD2bn 10yr issue and a USD500mn re-tapping of the 2042 issue that was ultimately well received. We like the '20s.
Philippines	UW	7.5	8.8	4.00	We are underweight the Philippines on technical tightening to Indonesia, though we remain constructive on the country's fundamentals. Philippines' liability management plan to extend duration and retire bonds has helped underpin investor interest. Local demand continues with strong bid from local banks due to USD remittance inflow volume. We like the '20s.
EEMEA					
Hungary	MW	1.8	6.4	7.22	We retain Hungary at market weight. Market consensus remains doubtful about the timing of an IMF program, but we still expect it to materialize by June. However, we refrain from adding with the broader market outlook still unfavorable and the prospect of material Eurobond issuance. On the curve we favor a shorter duration stance in the \$ '15s.
Poland	UW	3.2	5.6	3.75	Poor European news flow is likely to keep Poland on the back foot. We maintain our long in 5y CDS vs South Africa. We prefer the '15s on the \$ curve.
Russia	MW	10.6	6.5	4.31	Valuations are improving on the worse risk environment. We retain a market weight and like the \$ '17s on the curve. Though energy prices have fallen, issuance for 2012 is over, and relative insulation from Europe should continue to support Russia. Long-term, we think the long end of the Russian curve is a buy at these levels.
South Africa	OW	2.3	7.0	3.72	We move to an overweight stance. We prefer moderate duration and like the \$ '22s on the curve.
Turkey	MW	9.9	7.4	4.94	EXD has outperformed somewhat in May, but we think that was due to a confluence of positioning, lower oil, good news from the Iran talks and solid TRY. All of these will be waning, in our view, so we downgrade to market weight.
Ukraine	UW	1.7	4.1	9.71	We move to underweight as the continued pressure from Europe means it will remain vulnerable in the near term given its limited funding resources and lack of IMF program.
MENA	MW	7.0	6.1	3.7	Still elevated oil prices and a lull in geopolitics justify our market weight on high-grade Abu Dhabi and Qatar EXD. These outperformed the IGOV in May given their defensive status, but they still trail it year to date. The move lower in USTs has increased z-spreads, but we do not see a catalyst for compression in the near term. We hold Dubai at market weight as progress on GRE refinancing could be tested by the more challenging global backdrop, though we think sovereign support will be made available if needed. We hold Egypt at market weight with political risk balances improving macro trends and prospects for an IMF program. We keep Iraq at market weight with concerns about domestic politics largely offset by still high oil prices and increasing production.
LatAm					
Argentina	MW	1.4	7.2	13.33	We keep Argentina at market weight. It has elevated price risk but excellent carry. Risks are rising after plans to nationalize YPF and recent currency control measures, and as the BCRA balance sheet deteriorates on increased loans to the government. The IMF has called on remedial measures to align CPI and GDP data with international statistical guidelines. Also, the US suspended Argentina's trade preferences and withdrew the country from the Generalized System of Preference Program. Argentina would likely underperform Venezuela in a major global meltdown scenario. We like the Bonar '13s, and Pars are cheap to Discos.
Brazil	MW	10.9	8.2	3.46	We are market weight Brazil, which remains a solid credit despite the high global uncertainty. We like the '41s.
Chile	MW	0.5	7.6	2.58	We are market weight Chile, a solid credit with limited supply and low liquidity.
Colombia	MW	4.2	8.8	3.50	We are market weight Colombia and remain constructive on the country's fundamentals. We like the '21s, '24s and '19s.
Mexico	MW	10.1	8.9	3.45	We maintain Mexico at market weight, as the risk of a significant deterioration in the US has subsided. We like the '33s and '40s.
Peru	MW	3.1	10.7	3.89	We are market weight Peru on strong fundamentals and reduced political risk. Peru's growth prospects remain some of the best in the region. We had Peru at underweight following increased risk of political instability and renewed social conflicts over mining projects. In our view, those risks may take longer to materialize while the country continues to grow rapidly. We like the '37s.
Uruguay	MW	1.6	10.1	4.44	We are market weight Uruguay, which remains a solid credit. The yields are in line with other BBBs in the region. The government has maintained prudent asset liability management and has sufficient cash to cover its amortization and interest payments. Uruguay has not issued a dollar-denominated external bond since 2009, and continues to shift to local debt issuance with tactical play in the EXD market. We like the '33s.
Venezuela	UW	7.3	5.6	12.39	We hold Venezuela at underweight given the global backdrop and reduced prospects of a market friendly regime change. Venezuela is among the highest beta in EM and gets hit harder as oil drops further, deteriorating fiscal accounts and exacerbating issuance risk. Chávez has received strong electoral support in recent polls despite his deteriorating health conditions. Supply through the SITME has increased in recent weeks, and we continue to expect supply to remain steady given currency pressure and the US\$8bn we expect to be issued this year. We like the '18Ns.

Source: BofA Merrill Lynch Global Research

Recent Research

Date	Publication	Headline	Authors
31-May-12	Mexico Macro Viewpoint	Pulled onto the US fiscal cliff?	Capistran, Carlos; LatAm FI Strategy & Economics
31-May-12	GEMs Daily - Global Edition	Egypt trip notes, Vene political predictions, India Grexit scenarios	GEMs FI Strategy & Economics
31-May-12	GEMs Monthly	What to expect when you're expecting	Ades, Alberto; Brauer, Jane; Buscaglia, Marcos; Chua, Hak Bin; Hauner, David; Irigoyen, Claudio; Piron, Claudio; GEMs FI Strategy & Economics; Asia FI Strategy & Economics; EEMEA FI Strategy & Economics
31-May-12	GEMs Trade Note	Sell 1m USDCNY NDF rolls off	Leung, Albert; GEMs FI Strategy & Economics; Asia FI Strategy & Economics
30-May-12	GEMs Daily - Asia Edition	India: Grexit? The ugly, the bad, and the good	GEMs FI Strategy & Economics
30-May-12	GEMs Macro Viewpoint	Everything you need to know about GEMs – mid-2012 edition	Hauner, David; GEMs FI Strategy & Economics; EEMEA FI Strategy & Economics; Asia FI Strategy & Economics; LatAm FI Strategy & Economics
30-May-12	GEMs Daily - Global Edition	Argy EXD dislocations, top 10 HUF questions, Asia FX forecasts	GEMs FI Strategy & Economics
29-May-12	GEMs Daily - Asia Edition	Asia FX: Revising forecasts, assessing risks	GEMs FI Strategy & Economics
29-May-12	Asia Strategy Viewpoint	The Vanguard: Asian Currency Guide 2012-2013	Tan, Christy; Asia FI Strategy & Economics; GEMs FI Strategy & Economics; Piron, Claudio
29-May-12	GEMs Macro Viewpoint	Surprise! New indices point to downside risks to GEM assets	Ades, Alberto; Gkionakis, Vasileios; GEMs FI Strategy & Economics; Asia FI Strategy & Economics; EEMEA FI Strategy & Economics; LatAm FI Strategy & Economics
29-May-12	China Macro Chartbook	Expect moderate recovery in May	Lu, Ting; Zhi, Xiaojia; Hu, Weijun; Asia FI Strategy & Economics
29-May-12	GEMs Daily - Global Edition	Impact of a Grexit, Argentina trip notes, China in two slowdowns	GEMs FI Strategy & Economics
28-May-12	GEMs Daily - Asia Edition	China: Economic activities in two slowdowns	GEMs FI Strategy & Economics
28-May-12	GEMs Daily - Global Edition	Russia's labor market and INR's painful fall	GEMs FI Strategy & Economics
27-May-12	GEMs Daily - Asia Edition	INR: the painful fall	GEMs FI Strategy & Economics
25-May-12	GEMs Trade Note	S.Korea: close 3M long KRW / short 50% USD & 50% EUR NDF	Gkionakis, Vasileios; Piron, Claudio; GEMs FI Strategy & Economics; Asia FI Strategy & Economics
25-May-12	LatAm Macro Weekly	Brazil: everybody's working... and spending	Buscaglia, Marcos; Aguirre, Ezequiel; Beker, David; Capistran, Carlos; de Andrade, Flavio; Irigoyen, Claudio; Rodriguez Caballero, Francisco; Rouillet, Javier; LatAm FI Strategy & Economics; GEMs FI Strategy & Economics
25-May-12	EEMEA Macro Weekly	S. Africa: battering down the hatches	Hauner, David; Hamzaoglu, Turker; Osakovskiy, Vladimir; Sen, Arko; Sharratt, Matthew; Tenconi, Raffaella; Bircan, Cagatay; Doan, Mai; Saliba, Jean-Michel; EEMEA FI Strategy & Economics; GEMs FI Strategy & Economics
24-May-12	GEMs Trade Note	Pay 5y Malaysia IRS	Leung, Albert; GEMs FI Strategy & Economics; Asia FI Strategy & Economics
24-May-12	Asia Macro Weekly	Asia: Dimmer Horizons	Asia FI Strategy & Economics; Chua, Hak Bin; Lee, Jaewoo; Lu, Ting; Sen Gupta, Indranil; Chow, Marcella; Hu, Weijun; Zhi, Xiaojia; Piron, Claudio; Gao, Bin; Leung, Albert; Tan, Christy; GEMs FI Strategy & Economics
24-May-12	GEMs Trade Note	EEMEA: closing some bearish positions	Sen, Arko; EEMEA FI Strategy & Economics; GEMs FI Strategy & Economics
24-May-12	GEMs Strategy Weekly	Ain't no sunshine	GEMs FI Strategy & Economics
24-May-12	GEMs Daily - Global Edition	Turkey trip notes, restraining COP credit growth, INR at Rs56/USD	GEMs FI Strategy & Economics
23-May-12	GEMs Daily - Asia Edition	India: when I'm 56	GEMs FI Strategy & Economics
23-May-12	GEMs Daily - Global Edition	Russia's 'Grexit' scenario, Vene cash estimates, look for CNH dips	GEMs FI Strategy & Economics
22-May-12	GEMs Daily - Asia Edition	CNH: look for dips to buy DF points	GEMs FI Strategy & Economics
22-May-12	Thailand Macro Viewpoint	A Monetary Policy Debate	Saicheua, Supavud; Fongarunrung, Thanomsri; Asia FI Strategy & Economics
22-May-12	GEMs Trade Note	Mexico: pay 2s5s10s fly in IRS	Irigoyen, Claudio; Aguirre, Ezequiel; GEMs FI Strategy & Economics; LatAm FI Strategy & Economics
22-May-12	GEMs Daily - Global Edition	S. Africa trip notes, pay the fly in MXN swaps, HK CPI slowdown	GEMs FI Strategy & Economics
21-May-12	GEMs Daily - Asia Edition	Hong Kong: slowing down our CPI forecasts	GEMs FI Strategy & Economics
21-May-12	GEMs Trade Note	Brazil: close Jan13x14 FRA receiver	Irigoyen, Claudio; Beker, David; Aguirre, Ezequiel; GEMs FI Strategy & Economics; LatAm FI Strategy & Economics
21-May-12	India Macro Weekly	3 minimum steps Delhi must take	Sen Gupta, Indranil; Asia FI Strategy & Economics
21-May-12	GEMs Trade Note	India – Close Receive 5y NDOIS	Leung, Albert; GEMs FI Strategy & Economics; Asia FI Strategy & Economics
21-May-12	GEMs Daily - Global Edition	Argentina contracting, Egypt elections preview, fiscal focus in Asia FX	GEMs FI Strategy & Economics
20-May-12	GEMs Daily - Asia Edition	Asia FX: fiscal in focus	GEMs FI Strategy & Economics
18-May-12	LatAm Macro Weekly	LatAm: investment slowdown continued in 1Q	Buscaglia, Marcos; Aguirre, Ezequiel; Beker, David; Capistran, Carlos; de Andrade, Flavio; Irigoyen, Claudio; Rodriguez Caballero, Francisco; Rouillet, Javier; LatAm FI Strategy & Economics; GEMs FI Strategy & Economics
18-May-12	EEMEA Macro Weekly	Russia: firmer domestic support to RUB	Hauner, David; Hamzaoglu, Turker; Osakovskiy, Vladimir; Sen, Arko; Sharratt, Matthew; Tenconi, Raffaella; Bircan, Cagatay; Doan, Mai; Saliba, Jean-Michel; EEMEA FI Strategy & Economics; GEMs FI Strategy & Economics
17-May-12	Asia Macro Weekly	China: a survey of trade in Jan-April	Asia FI Strategy & Economics; Chua, Hak Bin; Lee, Jaewoo; Lu, Ting; Sen Gupta, Indranil; Chow, Marcella; Hu, Weijun; Zhi, Xiaojia; Piron, Claudio; Gao, Bin; Leung, Albert; Tan, Christy; GEMs FI Strategy & Economics
17-May-12	Brazil Macro Viewpoint	Wanted: a new growth strategy	Beker, David; Buscaglia, Marcos; LatAm FI Strategy & Economics
17-May-12	GEMs Strategy Weekly	With or without you	GEMs FI Strategy & Economics
17-May-12	GEMs Daily - Global Edition	Hungary trip notes, Mexico's reforms, Korea consumption	GEMs FI Strategy & Economics
16-May-12	GEMs Daily - Asia Edition	Korea: consumption recovering?	GEMs FI Strategy & Economics
16-May-12	China Macro Weekly	Thoughts after cuts: It's still soft landing	Lu, Ting; Zhi, Xiaojia; Hu, Weijun; Asia FI Strategy & Economics
16-May-12	GEMs Trade Note	EEMEA: taking some risk off	Sen, Arko; Hauner, David; GEMs FI Strategy & Economics; EEMEA FI Strategy & Economics
16-May-12	GEMs Daily - Global Edition	Defending the BRL, Czech trip notes, China vs Phil dispute	GEMs FI Strategy & Economics
16-May-12	GEMs Trade Note	Receive 5y THB IRS against 5y Malaysia IRS	Leung, Albert; GEMs FI Strategy & Economics; Asia FI Strategy & Economics
15-May-12	GEMs Daily - Asia Edition	Philippines: China turns up the economic pressure	GEMs FI Strategy & Economics
15-May-12	GEMs Trade Note	Closed: Receive CNY NDIRS 2y fwd 1y	Gao, Bin; Mou, Yiqun (Ethan); GEMs FI Strategy & Economics; Asia FI Strategy & Economics
15-May-12	GEMs Daily - Global Edition	Vene down to UW, Asia rates re-price lower, Indo twin deficits	GEMs FI Strategy & Economics

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Team Page

Regional Economics and FI/FX Strategy

David Hauner, CFA +44 20 7996 1241
EEMEA FI Strategist, Economist
MLI (UK)
david.hauner@baml.com

Arko Sen +44 20 7995 1576
EEMEA FI Strategist
MLI (UK)
arko.sen@baml.com

Cagatay Bircan +44 20 7996 2517
EEMEA FI Strategist, Economist
MLI (UK)
cagatay.bircan@baml.com

Turkey, MENA

Turker Hamzaoglu +44 20 7996 2417
Turkey, MENA Economist
MLI (UK)
turker.hamzaoglu@baml.com

Jean-Michel Saliba +44 20 7995 8568
MENA Economist
MLI (UK)
jean-michel.saliba@baml.com

South Africa, Nigeria

Matthew Sharratt +27 21 815 2625
S. Africa, Nigeria Economist
Merrill Lynch (South Africa)
matthew.sharratt@baml.com

CEE, Ukraine

Raffaella Tenconi +44 20 7995 9173
Italy, CEE, Ukraine Economist
MLI (UK)
raffaella.tenconi@baml.com

Mai Doan +44 20 7995 9597
CEE Economist
MLI (UK)
mai.doan@baml.com

Russia, Kazakhstan, Belarus

Vladimir Osakovskiy +7 495 662 6168
Russia, CIS Economist
Merrill Lynch (Russia)
vladimir.osakovskiy@baml.com

EEMEA Equity Strategy

Michael Harris >> +44 20 7995 4048
Equity Strategist
MLI (UK)
michael.e.harris@baml.com

Wesley Fogel >> +44 20 7995 8497
Equity Strategist
MLI (UK)
wesley.fogel@baml.com

GEMs Economics and FI/FX Strategy

Alberto Ades +1 646 855 4044
GEM FI Strategist, Economist
MLPF&S
alberto.ades@baml.com

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